

AR18

1976

Annual

Report

NUMAC OIL
& GAS
LTD.

NUMAC OIL & GAS LTD.

Board of Directors

Ralph A. Bard Jr.,	Executive	Chicago, Illinois
Lawrence L. Bell	Retired	Toronto, Ontario
Hadley Case	Chairman Felmont Oil Corporation	New York, N.Y.
Alexander N. MacIver	Barrister & Solicitor	Edmonton, Alberta
Stewart D. McGregor	Barrister & Solicitor	Edmonton, Alberta
William S. McGregor	President Numac Oil & Gas Ltd.	Edmonton, Alberta
Jack W. Robbins	Senior Vice-President and General Counsel, Pitcairn Incorporated	Jenkintown, Penn.
Marshal Stearns	Honorary Chairman C.J. Hodgson, Richardson Inc.	Toronto, Ontario
Lloyd F. Stevens	President Allpak Products Limited	London, Ontario

Officers

President and Managing Director	William S. McGregor
Vice-President, Engineering	Donald F. Baker
Vice-President & Treasurer	Ronald D. Larmour
Vice-President and Secretary	C.R.S. Montgomery
Vice-President, Exploration	Wilfred J. Wilson
Assistant Secretary	Alexander N. MacIver

*Financial
Report
to
Shareholders*

THREE MONTHS ENDED
MARCH 31, 1976

NUMAC OIL & GAS LTD.

NUMAC OIL & GAS LTD.

**CONSOLIDATED STATEMENT OF INCOME
AND RETAINED EARNINGS**

FOR THE THREE MONTHS ENDED MARCH 31, 1976
(with 1975 figures reclassified for comparative purposes)

	1976	1975
INCOME		
Gross operating income -----	\$ 2,463,356	\$ 2,577,415
Investment income --	90,157	91,449
Gain on sale of securities -----	1,672	18,625
Supervision and sundry -----	11,936	17,204
Mackenzie Delta income (Note 1) -----	200,000	200,000
Gain (Loss) on sale of fixed assets -----	(3,534)	23,240
	<u>2,763,587</u>	<u>2,927,933</u>
EXPENSES		
Cost of sales -----	65,437	67,392
Operating expenses - General and administrative ---	601,691	710,752
Interest on long-term debt -----	114,992	77,811
Interest other -----	284,194	272,288
Provision for depletion, depreciation and amortization -----	93,355	19,457
	<u>224,412</u>	<u>248,265</u>
	<u>1,384,081</u>	<u>1,395,965</u>
NET INCOME BEFORE INCOME TAXES ----	<u>1,379,506</u>	<u>1,531,968</u>
INCOME TAXES (Note 2)		
Current (Provincial royalty tax credit) -----	(90,105)	(84,800)
Deferred -----	617,722	739,700
	<u>527,617</u>	<u>654,900</u>
NET INCOME BEFORE MINORITY INTEREST	<u>851,889</u>	<u>877,068</u>
Income applicable to minority interest -	8,564	8,600
NET INCOME FOR THE PERIOD -----	<u>843,325</u>	<u>868,468</u>
Retained earnings, January 1 -----	10,521,046	8,176,032
RETAINED EARNINGS, March 31 -----	<u>\$11,364,371</u>	<u>\$ 9,044,500</u>
NET INCOME, per share -----	<u>19.5¢</u>	<u>20.1¢</u>

NOTE 1:

In accordance with the Company's policy relating to the full cost method of accounting, the cost of the Company's interest in the Mackenzie Delta properties is included in the Canadian Frontier Cost Centre which has an accumulated balance at December 31, 1975 and March 31, 1976 of a nominal \$1.00. Therefore, all revenue relating to the Company's interest in the properties is included as income in these financial statements.

NOTE 2:

The Company has recorded deferred taxes for all timing differences in accordance with the "allocation method" adopted by the Company as at January 1, 1974.

**CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION**

FOR THE THREE MONTHS ENDED MARCH 31, 1976
(with 1975 figures reclassified for comparative purposes)

	1976	1975
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for the year -----	\$ 843,325	\$ 868,468
Add items not requiring an outlay of funds:		
Depletion, depreciation and amortization --	224,412	248,265
Deferred income tax	617,722	739,700
Minority interest -	8,564	8,600
Loss (Gain) on sale of fixed assets --	3,534	(23,240)
	<u>1,697,557</u>	<u>1,841,793</u>
Funds provided from operation --	1,697,557	1,841,793
Proceeds from sale of fixed assets --	13,410	34,000
Decrease in investments and long-term receivables -----	—	2,939
	<u>1,710,967</u>	<u>1,878,732</u>
FINANCIAL RESOURCES WERE USED FOR:		
Purchase of fixed assets:		
Oil and gas properties, mining and research -----	3,473,378	1,557,579
Real estate, buildings and equipment	101,569	293,674
	<u>3,574,947</u>	<u>1,851,253</u>
Reduction of long-term debt	222,700	71,840
	<u>3,797,647</u>	<u>1,923,093</u>
(DECREASE) INCREASE IN WORKING CAPITAL -	<u>(2,086,680)</u>	<u>(44,361)</u>
Working Capital, January 1 -----	3,114,557	5,407,062
WORKING CAPITAL, March 31 -----	<u>\$ 1,027,877</u>	<u>\$ 5,362,701</u>

W. S. McGregor
W. S. McGregor
President

Edmonton, Alberta
May 11, 1976

**CONSOLIDATED STATEMENT OF CHANGES
IN FINANCIAL POSITION**

FOR THE SIX MONTHS ENDED JUNE 30, 1976

(with 1975 figures reclassified for comparative purposes)

FINANCIAL RESOURCES

WERE PROVIDED BY:

	1976	1975
Net income for the period -----	\$ 1,447,501	\$ 1,255,296
Add items not requiring an outlay of funds -----		
Depletion, depreciation and amortization -	450,442	473,541
Deferred income tax -	831,264	947,606
Minority interest -----	33,944	5,164
Loss (Gain) on sale of fixed assets -----	(1,214)	(32,254)
Gain on sale of land -----	(154,147)	—
Funds provided from operation -----	2,607,790	2,649,353
Proceeds from sale of fixed assets -----	26,410	64,675
Proceeds from sale of land -----	1,644,984	—
Decrease in investments and long-term receivables -----	—	2,939
Sale of treasury stock under key employee stock purchase plan -----	—	70,875
	<u>4,279,184</u>	<u>2,787,842</u>

FINANCIAL RESOURCES

WERE USED FOR:

Purchase of fixed assets: Oil & gas properties, mining & research -----	6,010,301	2,950,796
Real estate, buildings and equipment --	348,916	441,518
	<u>6,359,217</u>	<u>3,392,314</u>
Increase in long-term receivables -----	1,340,000	—
Reduction of long-term debt -----	420,782	120,250
Key employee stock purchase plan loan --	—	70,875
	<u>8,199,999</u>	<u>3,583,439</u>
(DECREASE) INCREASE IN WORKING CAPITAL -----	(3,840,815)	(795,597)
Working capital, January 1 -----	3,114,557	5,661,175
WORKING CAPITAL, June 30 -----	\$ (726,258)	\$ 4,865,578

Note 1: In accordance with the Company's policy relating to the full cost method of accounting, the cost of the Company's interest in the Mackenzie Delta properties is included in the Canadian Frontier Cost Centre which has an accumulated balance at December 31, 1975 and June 30, 1976 of a nominal \$1.00. Therefore, all revenue relating to the Company's interest in the properties is included as income in these financial statements.

Note 2: The Company has recorded deferred taxes for all timing differences in accordance with the "allocation method" adopted by the Company as at January 1, 1974.

Financial Report to Shareholders

SIX MONTHS ENDED
JUNE 30, 1976

NUMAC OIL & GAS LTD.

TO THE SHAREHOLDERS:

FINANCIAL

Numac's gross revenues (before extraordinary items) for the first six months of 1976 were \$4,793,759 as compared to \$4,404,738 for the similar period in 1975 and net income was \$1,293,354 as compared to \$1,255,296. (An extraordinary profit after deferred taxes of \$154,147 not included in the above was realized for the six month period when an undeveloped real estate property was sold for \$1,700,000. The \$1,125,000 profit (\$873,354 after deferred taxes) will be pro-rated each year as the proceeds are received over the next five years.)

The wellhead price of medium gravity Alberta oil effective July 1, 1976 increased by \$1.05 per barrel to \$9.75 per barrel and will increase an additional 70¢ per barrel January 1, 1977. In addition, new gas at the wellhead in Alberta, which was 98¢ per Mcf prior to July 1, 1976, will increase progressively to approximately \$1.25 per Mcf by January 1, 1977. These increases in oil and gas prices will improve the Company's financial results, particularly since some recent gas discoveries will be placed on stream during the second half of 1976 and substantial further gas will be placed on production in Alberta and British Columbia in 1977.

EXPLORATION AND DEVELOPMENT ACTIVITIES

For the six month period ended June 30, 1976, the Company continued its accelerated exploration and development drilling program as planned. Thirty wells were drilled during the period as compared to nineteen in the comparable six months of the previous year. Of the thirty wells drilled, one was a light gravity oil well, one a heavy oil well and fourteen were successful gas wells.

SURMONT, ALBERTA

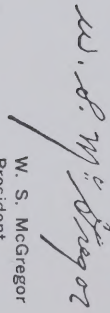
The Alberta Oil Sands Technology and Research Authority on June 10, 1976 announced that Numac will be given a grant of up to \$1,000,000, being 75% of the costs, for preliminary in-situ research on our heavy oil Surmont property, which work will commence this summer. Phase I of this pilot project will consist of an exploratory field fracturing program intended to establish communication between wells below 1,000 feet. We hope Phase I and Phase II will lead to a commercial project of 125,000 barrels of oil per day on this 119,000 acre property which has oil reserves in excess of 20 billion barrels and proven and probable gas reserves exceeding 75 billion cubic feet. Phase I should be completed before December 15, 1976.

MACKENZIE DELTA, N.W.T.

Sunoco has a rig on location and will drill a well on Unark Block D (see map in annual report) this fall and are planning a follow-up well on Block B in proximity to the successful Garry P-04 triple zone oil and gas success completed in December, 1975.

ALBERTA AND BRITISH COLUMBIA

An aggressive exploratory program will be continued and will involve the drilling of twenty-five wells during the remainder of 1976 in Alberta and British Columbia.


W. S. McGregor
President

Edmonton, Alberta
August 9, 1976

CONSOLIDATED STATEMENT OF INCOME
AND RETAINED EARNINGS

FOR THE SIX MONTHS ENDED JUNE 30, 1976
(with 1975 figures reclassified for comparative purposes)

	1976	1975
INCOME		
Gross operating income	\$ 4,386,653	\$ 3,966,673
Investment income	180,213	211,542
Gain on sale of securities	1,697	26,523
Supervision and sundry	23,981	200,000
Mackenzie Delta income (Note 1)	200,000	200,000
Gain on sale of fixed assets	1,215	32,254
	4,793,759	4,436,992
EXPENSES		
Cost of sales	128,912	137,666
Operating expenses	1,231,509	1,031,090
General and administrative	227,510	199,905
Interest on long-term debt	544,467	496,918
Interest on other	239,941	34,766
Provision for depletion, depreciation and amortization	444,442	473,541
	2,816,781	2,373,886
NET INCOME BEFORE INCOME TAXES	1,976,978	2,063,106
INCOME TAXES (Note 2)		
Current (Provincial royalty tax credit)	(181,584)	(144,960)
Deferred	831,264	947,606
	649,680	802,646
NET INCOME BEFORE MINORITY INTEREST	1,327,298	1,260,460
Income applicable to minority interest	33,944	5,164
NET INCOME BEFORE EXTRAORDINARY ITEM	1,293,354	1,255,296
EXTRAORDINARY ITEM		
Gain on sale of land-net after tax	154,147	—
NET INCOME FOR THE PERIOD	1,447,501	1,255,296
Retained earnings, January 1	10,521,046	8,176,032
RETAINED EARNINGS, June 30	\$11,968,547	\$ 9,431,328
NET INCOME, per share	33.3¢	29.0¢

NUMAC OIL & GAS LTD.

AR18

Financial Report to Shareholders

NINE MONTHS ENDED
SEPTEMBER 30, 1976

NUMAC OIL & GAS LTD.

NUMAC OIL & GAS LTD.

FINANCIAL

The wellhead price of medium effective July 1, 1976 increased to \$9.75 per barrel and will increase to \$9.75 per barrel January 1, 1977 gas at the wellhead in Alberta, v Mcf prior to July 1, 1976, will increase to approximately \$1.25 per 1977. These increases in oil will improve the Company's financial position since some recent gas discoveries stream during the second half substantial further gas will be placed Alberta and British Columbia in 1

EXPLORATION AND DEVELOPMENT

For the six month period ended June 30, 1997, the Company continued its acquisition and development drilling program. Thirty wells were drilled during the period compared to nineteen in the comparable period of the previous year. Of the thirty wells, one was a light gravity oil well, one was a gas well, and fourteen were successful gas wells.

(with 1975 figures reclassified for comparative purposes)

	1976	1975
INCOME		
Gross operating income -----	\$ 6,768,302	\$ 6,114,563
Investment income -	315,201	267,647
Gain on sale of securities -----	3,381	37,854
Supervision and sundry -----	40,221	38,757
Mackenzie Delta income -----	200,000	200,000
Gain on sale of fixed assets -----	44,298	34,087
	<u>7,371,403</u>	<u>6,692,908</u>
EXPENSES		
Cost of sales -----	189,332	207,087
Operating expenses -	1,952,733	1,631,186
General and administrative ---	332,563	309,841
Interest on long-term debt -----	793,800	722,220
Interest other -----	448,634	68,394
Provision for depletion, depreciation and amortization -----	695,569	731,671
	<u>4,412,631</u>	<u>3,670,399</u>
NET INCOME BEFORE INCOME TAXES ----	<u>2,958,772</u>	<u>3,022,509</u>
INCOME TAXES		
Current (Provincial royalty tax credit) -	(281,589)	(254,534)
Deferred -----	1,281,409	1,362,425
	<u>999,820</u>	<u>1,107,891</u>
NET INCOME BEFORE MINORITY INTEREST	<u>1,958,952</u>	<u>1,914,618</u>
Income applicable to minority interest --	30,975	22,779
NET INCOME BEFORE EXTRAORDINARY ITEM -----	<u>1,927,977</u>	<u>1,891,839</u>
Gain on sale of land—net after tax -----	154,147	—
NET INCOME FOR THE PERIOD -----	<u><u>\$ 2,082,124</u></u>	<u><u>\$ 1,891,839</u></u>
NET INCOME, per share -----	<u>48.0¢</u>	<u>43.7¢</u>

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 1976
(with 1975 figures reclassified for comparative purposes)

	1976	1975
FINANCIAL RESOURCES WERE PROVIDED BY:		
Net income for period --	\$ 2,082,124	\$ 1,891,839
Add items not requiring an outlay of funds:		
Depletion, depreciation, and amortization ----	695,569	731,671
Deferred income taxes --	1,281,409	1,362,425
Minority interest -----	30,975	22,779
Gain on sale of land ----	(154,147)	—
Loss (Gain) on sale of fixed assets -----	(44,298)	(34,087)
Funds provided from operation -----	3,891,632	3,974,627
Proceeds from sale of fixed assets -----	80,255	68,174
Proceeds from sale of land -----	1,644,984	—
Proceeds of long-term debt -----	—	624,160
Decrease in other investments -----	8,506	4,479
Sale of treasury stock under key employee stock purchase plan --	—	70,875
	<u>5,625,377</u>	<u>4,742,315</u>
FINANCIAL RESOURCES WERE USED FOR:		
Purchase of:		
Oil and gas properties, mining and research --	6,741,594	3,975,319
Real estate, buildings and equipment -----	664,243	719,716
	<u>7,405,837</u>	<u>4,695,035</u>
Increase in long-term receivables -----	1,340,000	—
Reduction of long-term debt -----	462,182	179,120
Key employee stock purchase plan loan --	—	70,875
Repayment of minority shareholders' loans --	—	400,000
	<u>9,208,019</u>	<u>5,345,030</u>
(DECREASE) IN WORKING CAPITAL --	(3,582,642)	(602,715)
Working capital, January 1 -----	3,112,303	5,658,921
WORKING CAPITAL, September 30 -----	<u>\$ (470,339)</u>	<u>\$ 5,056,206</u>

W. S. McGregor
W. S. McGregor
President

W. S. McGregor
President

976 (purposes)	966,673
1975	211,542
—	26,523
	200,000
	32,254
	436,992
	137,666
	031,090
	199,905
	496,918
	34,766
	473,541
	373,886
	063,106
	144,960)
	947,606
	802,646
	260,460
	5,164
	255,296
—	
	255,296
	176,032
	431,328
	29,000

NUMAC OIL & GAS LTD.

1976 Annual Report

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UNARK L-24-A

Operating Highlights

- Numac's first gas plant on stream at Dixonville
- Helmet gas discovery in British Columbia producing at 3 MMCFD
- Numac and Alberta Oil Sands Technology and Research Authority agree on experimental tar sands project at Surmont
- Numac discovered and developed more light-gravity oil reserves than it produced for second consecutive year
- Numac participated in fifty-two wells, twenty-five of which were successful and one is presently drilling

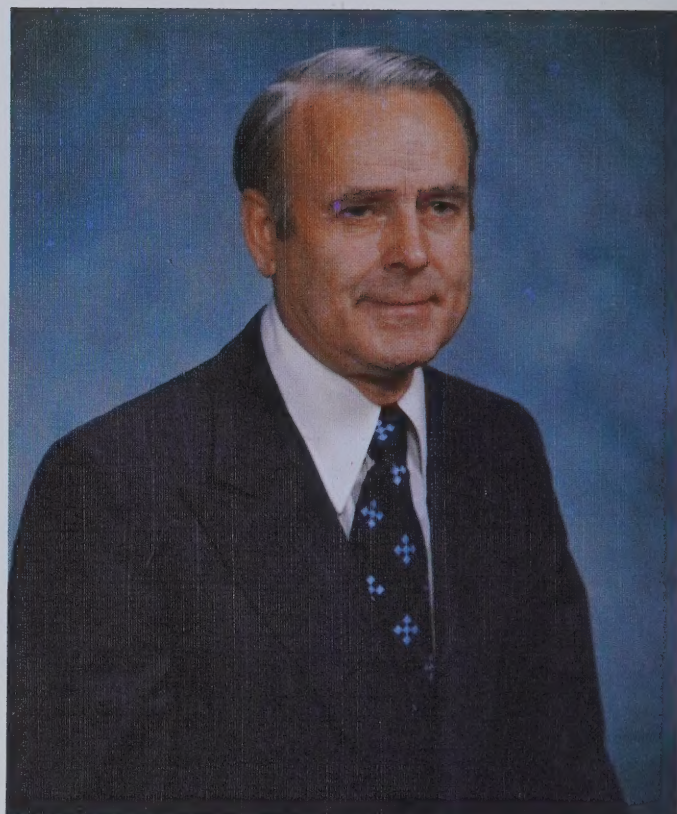
Company Profile

Numac Oil & Gas Ltd. is a primarily Canadian-owned and-based natural resource company whose main area of interest and activity is Canada. Since its incorporation in 1963, the Company has maintained an extremely active exploration program, primarily in the development of oil properties. This program has brought about the discovery and development of large oil reserves.

In 1974, Numac began to shift its' emphasis towards a larger participation in gas-prone ventures, resulting in the discovery of substantial gas reserves. Several gas fields have already been put on production and others are in various stages of being tied in.

The Company has plans to further expand both its oil and gas exploration programs so that it may play its part in alleviating the energy problems which Canadians now face. The development of Numac's large holding in the Mackenzie Delta and its 20 billion barrel reserves of heavy oil south of Fort McMurray are examples of such contributions.

The Company is also involved in mining exploration throughout Western Canada, in real estate development in the Edmonton area and in oilfield construction in Alberta and Northern Canada.



W. S. McGregor

Financial Highlights

	1976	1975	Increase (Decrease)
Gross revenue, net after royalty	\$ 9,783,809	\$ 8,698,819	12%
Net funds from operations (cash flow)	\$ 4,942,304	\$ 4,998,160	(1%)
Per share	\$ 1.14	\$ 1.15	(1%)
Net earnings	\$ 2,614,658	\$ 2,345,014	12%
Per share	\$ 0.60	\$ 0.54	12%
Fixed assets, net	\$41,179,482	\$33,445,726	23%
Capital expenditures	\$ 9,276,892	\$ 7,433,519	25%

President's Report to the Shareholders

Nineteen seventy-six was a year of significant achievements for Numac. Fifty-one wells were completed in Alberta and British Columbia, at least 90% of which were to explore for or develop gas reserves. In addition, we are pleased to report that for the second successive year the Company discovered and developed more light-gravity oil reserves than it produced and sold during the year. Numac's first Company-operated gas plant at Dixonville, Alberta went on stream in December and is presently operating at approximately 16 million cubic feet per day, with Numac's through-put share being 42.62%. A second gas plant now under construction at Fox Creek will go on stream in June of this year. Numac's interest in this plant is 50%.

Gross revenue increased to \$9,783,809 in 1976 and net earnings to \$2,614,658, compared with \$2,345,014 the previous year. Cash flow of \$4,942,304 provided a large portion of the funds for the Company's substantially expanded exploration activities. However, in order to maintain the desired exploratory effort, the cash flow available after paying royalties and taxes was augmented by short-term bank loans for a total exploratory expenditure for the year of \$8,178,139, up from \$6,679,317 the previous year. Numac does not have any of its oil or gas reserves pledged as security with its bankers, as the short-term bank loans were borrowed against the Company's stock and bond portfolio. Increases in the wellhead price of oil and natural gas in Alberta and British Columbia, together with production from recently discovered oil and gas reserves, will assure increased cash flow in 1977.

Other outstanding events during 1977 will be the decision on the Mackenzie Valley gas line, hopefully to be built in co-operation with the North Slope of Alaska producers. Two deep tests in the Mackenzie Delta (one on each of the Company's Unark and Garry blocks), several committed deep tests on Company properties in Fox Creek, Alberta, and Helmet and Junior, British Columbia, plus other locations in these two provinces, could have a significant impact on Company reserves during 1977.

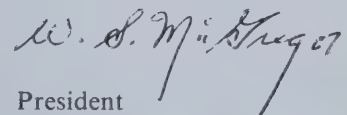
For the past three years Numac's management team has concentrated on the purchase and development of gas-prone properties in Alberta and British Columbia because the price of gas has been increasing substantially. Relatively little exploratory effort is being expended by Numac and other companies in the search for oil in Alberta and Saskatchewan because finding costs, risk factors and very high provincial gross royalties, together with oil export and

other federal taxes, make oil exploration generally uneconomical. Further details of the Company's oil and gas exploration activities are contained within the body of this report.

Canada's imbalance of trade is expected to reach a deficit of \$6 billion by 1981, caused mainly by energy imports, this will mean creating extremely heavy taxes and other sacrifices for all Canadians. The rapidly developing situation which will require increasing imports of high-priced foreign oil need not have come about if, for example, federal and provincial governments had improved the economic climate for development of the Tar Sands and the Mackenzie Delta. Despite Canada's increasing shortage of energy at the time of this writing, we see our federal government officials still undecided about building the Mackenzie Valley pipeline and no final decision on oil and gas taxes or regulations on federal lands. In addition, the Alberta government still has no Tar Sands royalty or tax policy on which oil companies can base the necessary economic studies for budgeting these costly mining and in-situ plants, development of which in time could make Canada a net exporter of oil rather than an importer.

The efforts of the Company's dedicated staff is greatly appreciated and it is my pleasure, on behalf of the directors, to commend them for the results reported herein.

On behalf of the Board of Directors



President

March 14, 1977

Oil, Gas and Mineral Exploration

Numac drilled a record number of wells in 1976 in the provinces of Alberta and British Columbia. The exploration program was planned to test many varied and interesting prospects.

The Company participated in fifty-two wells with the following success: twenty-one gas wells, three oil wells, one bituminous oil well and twenty-six dry holes. One well, the Sun Unark L-24A, is still drilling.

ALBERTA

DIXONVILLE — Numac has drilled five gas wells, two in 1976, and installed a gathering system and gas plant at DIXONVILLE. At December 31, 1976, this field was accounting for sales of 6.8 million cubic feet daily of which Numac has approximately 43% interest. The production should be boosted to 17 million cubic feet per day in 1977. This is Numac's first operated gas plant.

FOX CREEK — The FOX CREEK area saw Numac participate in a 10,195-foot test that was cased for Cadomin gas. The Company has a 50% interest in three other Cadomin gas wells that will be on stream in 1977 at a rate of 5 million cubic feet per day. A deep test of 10,400 feet will be drilled to explore for Cadomin and Beaverhill Lake gas in 1977. Numac will participate with a 30.65% interest in this well. This prospect is located between the FOX CREEK AND PASS CREEK BEAVERHILL LAKE gas producing areas.

OTHER AREAS — The Company completed three wells for gas in the RAMBLING area. Two wells were cased for gas at HAIG RIVER and the RANCH area also yielded gas from two wells. Gas wells were also completed at BOW ISLAND and ANTE CREEK in Alberta.

Two Granite Wash oil wells were completed in Numac's main producing area, RED EARTH. During this year, this area produced approximately 25,000 barrels of oil per month for Numac's account. A well was drilled and cased for heavy oil at SURMONT, where Numac has 119,000 acres of land underlain by thick Athabasca tar sands. This was the twenty-third well completed on this property.

ROSEVEAR was a disappointment in 1976 as two dry holes were drilled on the Company's acreage. The RADIAL area has three Cardium gas wells that should be tied in in 1977. Numac will drill a number of interesting prospects in Alberta in 1977. Two wildcats will be drilled in

the REDFISH area, fifteen miles north of Red Earth and further development will be undertaken in the UTIKUMA and RED EARTH fields. Drilling could be carried out in the BISON, GOLD CREEK and HAIG RIVER areas.

BRITISH COLUMBIA

HELMET — Numac participated in drilling a dual zone gas well at HELMET. The well is presently producing 3.5 million cubic feet per day but is capable of 5 million cubic feet from the Slave Point. Numac will drill another well in this area in 1977. The Company holds a 33 1/3% interest in these lands.

SILVER — The Company has now participated 50% in the drilling of four excellent Bluesky gas wells in the SILVER area. Three of these wells were drilled in 1976 with further drilling to follow next year. This gas field should be tied in by early 1978.

FIREWEED - BIRCH — Two wells were cased for gas in the BUICK CREEK sands in these areas. Another well was tested and cased for oil from the same formation. These wells are adjacent to the gathering systems and should be on stream shortly. Extensive drilling should be carried out in these areas in 1977.

OTHER AREAS — Gas wells were drilled at BLACK CREEK and KIMEA in northeast British Columbia. In 1977, Numac should participate in several other excellent prospects in northeast British Columbia. These include the JUNIOR, KOMIE, ALTARES, CONROY CREEK, SHEKILIE - EKWAN and MILO areas.

NUMAC LAND HOLDINGS

Petroleum and Natural Gas holdings as of December 31, 1976, compared with December 31, 1975:

	1976		1975	
	Gross	Net	Gross	Net
Alberta	1,045,087	370,064	892,536	356,848
British Columbia	472,582	173,324	357,747	139,843
Other Areas	385,922	65,060	385,762	11,012
	1,903,591	608,448	1,636,045	507,703
Minerals	102,384	24,171	94,506	22,099
Total Acreage	2,005,975	632,619	1,730,551	529,802

Numac has participated in purchasing several large tracts of land, of which the GOLD CREEK in Alberta and the SHEKILIE - EKWAN area in British Columbia are presently being explored geophysically.

MINERAL EXPLORATION

Numac's mineral exploration program has not been as active as in the past few years. However, the Company has maintained its interest in the Princeton coal deposits in British Columbia, the Selwyn lead-zinc area of the Yukon and the gold properties in the Northwest Territories. Numac has participated in staking 1,034 claims in the

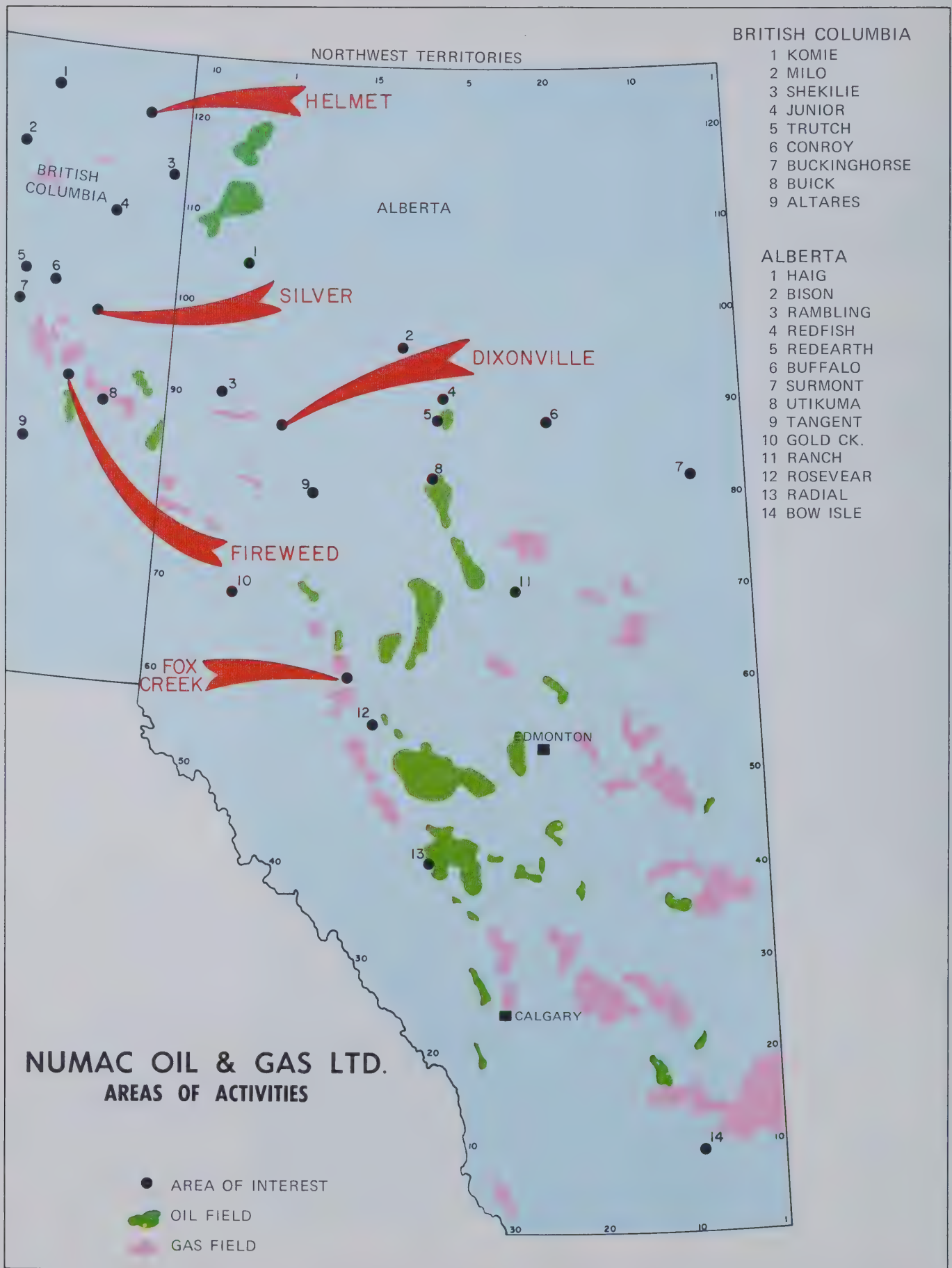
Bathurst Inlet area of the Yukon where an interesting uranium play is developing. The Company has continued exploration for uranium on the Carswell-Cluff Lake claims and will do further drilling at the Wollaston prospect in Saskatchewan.

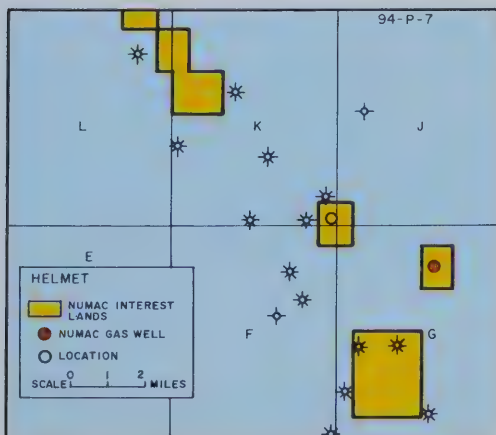
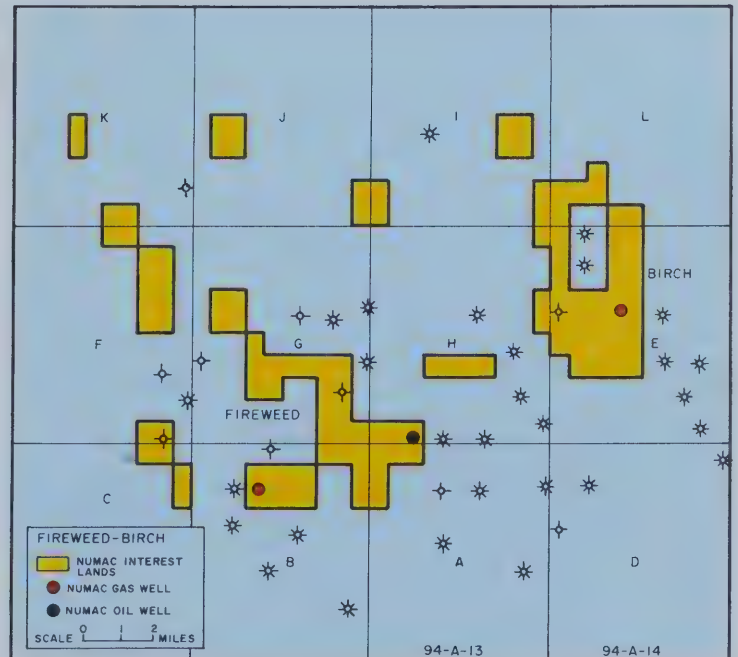
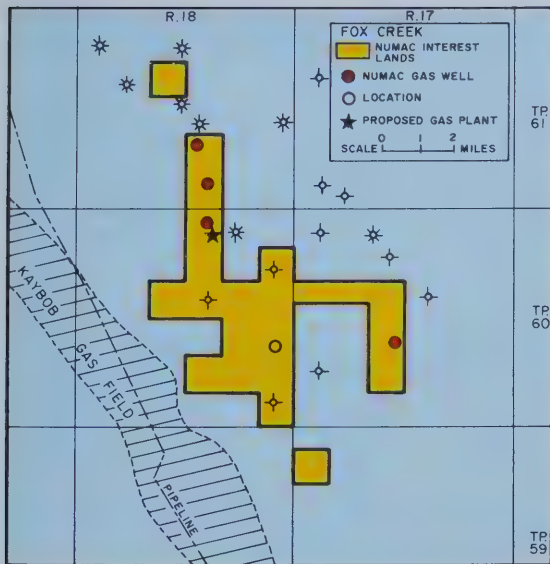
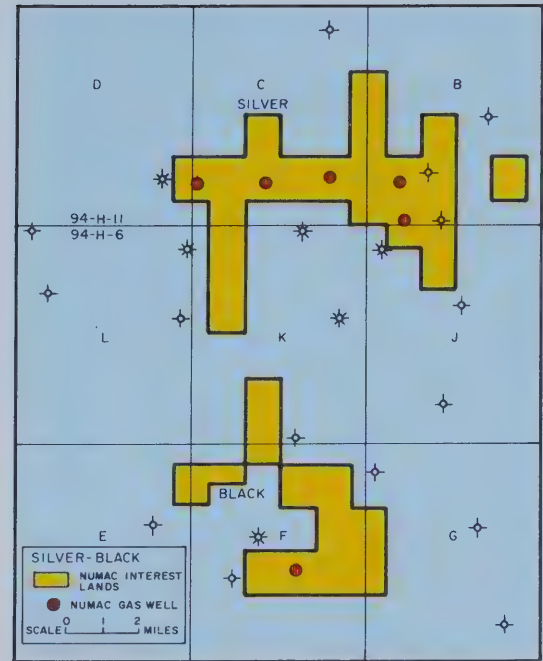
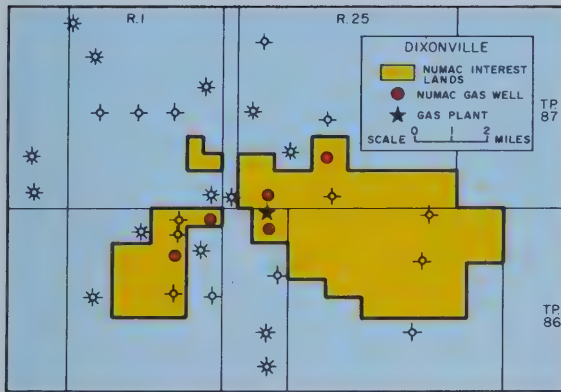
NORTH SEA AND CELTIC SEA

Numac has 8.17% interest in Block 103/27 in the Celtic Sea and 11.25% interest in Block 9/4 of the British sector of the North Sea. British Petroleum is drilling an important and interesting test on the block immediately north of Block 9/4. There are no immediate drilling plans for these blocks.



DIXONVILLE GAS PLANT

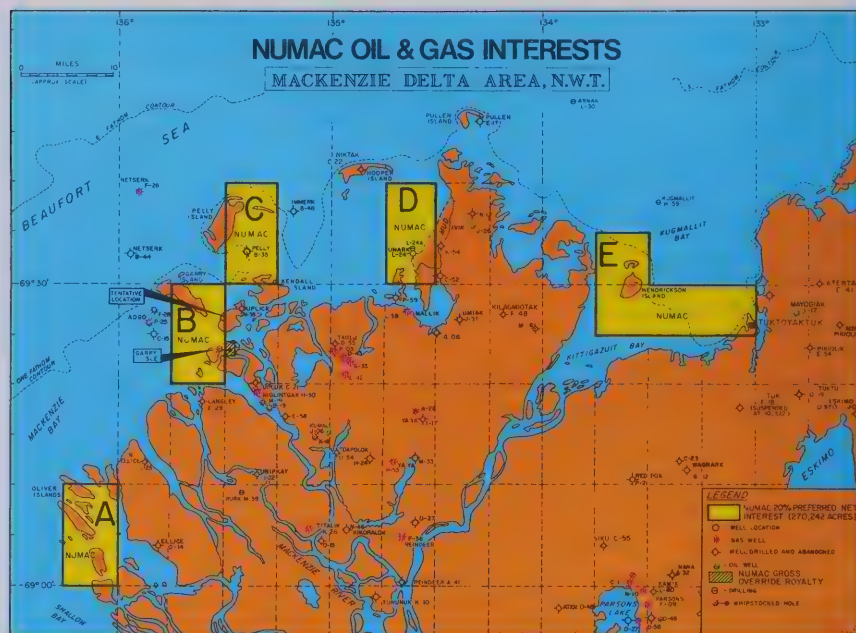




MACKENZIE DELTA, NORTHWEST TERRITORIES

Sun BVX et al Unark L-24A was spudded October 19, 1976, and will be directionally drilled to the northeast from the original man-made Unark island. Significant gas shows were found in the original Unark L-24 well and the objective of the new well is to penetrate the gas reservoir at a structurally higher elevation on this large seismically-controlled structure. This well is scheduled to drill to 15,000 feet.

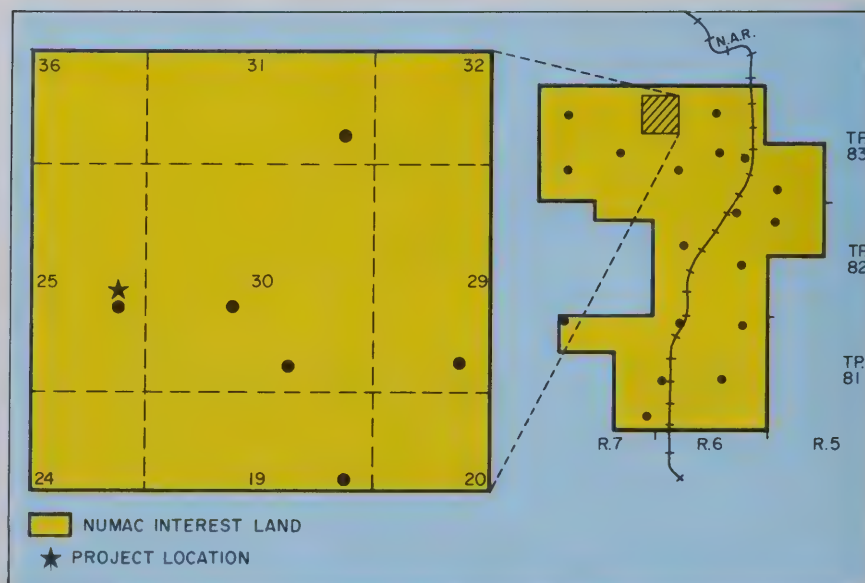
During the 1977-78 drilling season, Sun will drill a follow-up well on Numac's property approximately three miles north of last year's Sun Garry P-04 discovery well which had 265 feet of gas pay and 65 feet of oil pay.



ATHABASCA BITUMINOUS OIL SANDS, ALBERTA

It has been determined that Numac's 119,000 acre Surmont property located approximately thirty-five miles south of Fort McMurray has 20 billion barrels of bitumen in place. An additional well was drilled during 1976 to complete our drilling obligations. Twenty-three wells have now been drilled on the property.

As was mentioned in our last Annual Report, the Alberta government established a research fund for in-situ recovery of crude bitumen. This fund is being administered by the Alberta Oil Sands Technology and Research Authority. Numac is one of the five successful applicants for funding under this scheme. The first stage of Numac's project will be under way during the summer of 1977 to experiment with a method of obtaining communication through the tar sand formation, which is impermeable in its present state. Upon successful completion of this first stage, a full pilot project will be designed to test the method and recover crude.

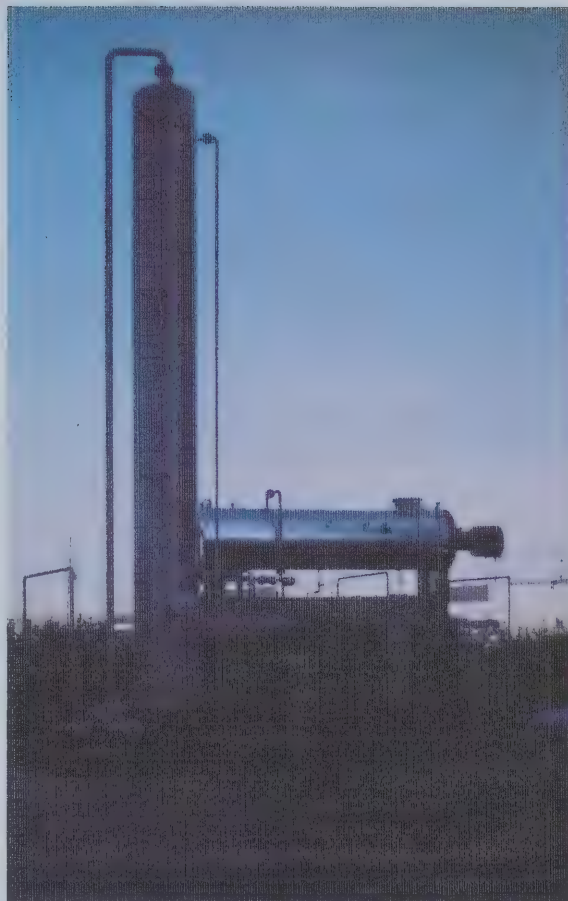


Numac Oil & Gas Ltd. Reserves

McDaniel Consultants (1965) Ltd. estimated the remaining proven and probable crude oil reserves of the Company to be 11,172,900 barrels as of July 1, 1976. Taking into account subsequent production and new proven and probable reserves, the Company estimates this figure to be 11,352,700 barrels as of December 31, 1976.

McDaniel Consultants (1965) Ltd. estimated the remaining proven and probable gas reserves to be 52,411 mmcf as of July 1, 1976. Taking into account subsequent production and new proven and probable reserves in the areas which were calculated by McDaniel, the Company estimates this figure to be 56,217 mmcf as of December 31, 1976. And further, taking into account areas such as Surmont, which were not evaluated by McDaniel, the Company estimates the total proven and probable natural gas reserves to be 96,417 mmcf.

Proven reserves are considered to be those reserves which to a high degree of certainty are recoverable at commercial rates by the present depletion methods and under current operating conditions, prices and costs. Probable crude oil reserves are considered to be those reserves commercially recoverable as a result of the beneficial effects which may be derived from the institution of enhanced recovery systems or more favorable performance of the primary recovery mechanisms. Probable natural gas reserves are based on potentially productive areas in presently under-developed areas where reserves have been proven.



DIXONVILLE GAS PLANT

Other Company Activities

REAL ESTATE

Numac through its subsidiary, Nu-Alta Developments Ltd. has a 60% interest in Petroleum Plaza, a prestigious office complex consisting of two interconnecting, 14-storey towers, located in Edmonton. Numac also owns commercial land in the Edmonton area which management assembled due to its strategic location in relation to the future development, required to service the Athabasca Tar Sands and the Mackenzie Delta. During 1976, a substantial portion of the land was sold as is explained in Note 2 to the financial statements.

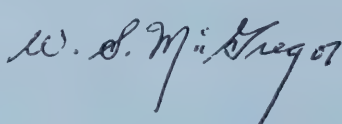
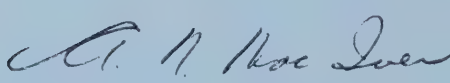
OILFIELD CONSTRUCTION

1976 was the oilfield construction division's finest year. Both volume and earnings were at record levels in this, its twenty-sixth year. This division is primarily engaged in road building and other oilfield activities, such as lease preparation, cleanup and restoration, drilling rig service and island building. The majority of the revenue is derived from operations in the Mackenzie Delta and Alberta.

Numac Oil & Gas Ltd. and Subsidiaries
Consolidated Balance Sheet

Assets

DECEMBER 31

	1976	1975
CURRENT ASSETS		
Cash	\$ 124,682	\$ 204,352
Marketable securities, at cost (Market value \$5,220,767; 1975 \$4,965,244)	5,260,784	5,175,774
Accounts receivable	2,163,546	1,626,581
Provincial royalty tax credit	403,546	381,614
Inventories — at lower of cost and net realizable value	395,713	442,989
Prepaid expenses and deposits	16,479	26,643
Total Current Assets	<u>8,364,750</u>	<u>7,857,953</u>
INVESTMENTS AND LONG-TERM RECEIVABLES (Note 2)	<u>3,652,996</u>	<u>1,411,938</u>
FIXED ASSETS — at cost (Note 1)		
Buildings and land	10,577,452	11,095,371
Oil and gas properties, mining and research costs	31,179,075	22,980,936
Production and other equipment	5,946,359	5,134,561
	<u>47,702,886</u>	<u>39,210,868</u>
Less: accumulated depletion, depreciation, and amortization	<u>6,523,404</u>	<u>5,765,142</u>
	<u>41,179,482</u>	<u>33,445,726</u>
OTHER ASSETS		
Deferred costs, less amortization	<u>1,161</u>	<u>15,333</u>
ON BEHALF OF THE BOARD		
 Director		
 Director		
	<u>\$53,198,389</u>	<u>\$42,730,950</u>

Liabilities

DECEMBER 31

	1976	1975
CURRENT LIABILITIES		
Bank indebtedness — secured	\$ 7,440,000	\$ 1,900,000
Accounts payable and accrued	1,771,925	2,430,266
Long-term debt due within one year	454,120	258,620
Deferred income	110,602	156,764
Total Current Liabilities	9,776,647	4,745,650
DEFERRED INCOME (Note 2)	719,207	—
LONG-TERM DEBT (Note 3)	8,882,376	9,498,782
DEFERRED INCOME TAX (Note 4)	8,340,975	6,551,379
MINORITY INTEREST	460,559	440,735

Shareholders' Equities

SHARE CAPITAL (Note 6)		
Authorized		
5,000,000 shares without par value		
Issued		
4,424,066 (1975 4,335,566)	11,885,175	10,975,612
RETAINED EARNINGS	13,133,450	10,518,792
	25,018,625	21,494,404
	<u>\$53,198,389</u>	<u>\$42,730,950</u>

Numac Oil & Gas Ltd. and Subsidiaries

Consolidated Statement of Earnings and Retained Earnings

Year Ended December 31

	1976	1975
REVENUE		
Gross operating revenue	\$ 8,987,036	\$ 7,975,152
Investment income	453,507	349,944
Gain on sale of securities	681	43,810
Supervision and sundry	81,073	83,901
Mackenzie Delta income (Note 1)	200,000	200,000
Gain on sale of fixed assets	61,512	46,012
	<u>9,783,809</u>	<u>8,698,819</u>
EXPENSES		
Operating	2,957,714	2,506,506
General and administrative	449,834	419,998
Interest on long-term debt	1,122,021	993,717
Other interest	653,970	116,040
Depreciation, depletion and amortization	984,443	932,376
	<u>6,167,982</u>	<u>4,968,637</u>
NET EARNINGS BEFORE INCOME TAXES AND MINORITY INTEREST	<u>3,615,827</u>	<u>3,730,182</u>
INCOME TAXES (Note 1)		
Current (Provincial royalty tax credit)	(403,546)	(381,614)
Deferred	1,539,038	1,734,259
	<u>1,135,492</u>	<u>1,352,645</u>
	<u>2,480,335</u>	<u>2,377,537</u>
MINORITY INTEREST	<u>19,824</u>	<u>32,523</u>
EARNINGS BEFORE EXTRAORDINARY ITEM	<u>2,460,511</u>	<u>2,345,014</u>
EXTRAORDINARY ITEM — net of tax		
Gain on sale of land (Note 2)	154,147	—
NET EARNINGS	<u>2,614,658</u>	<u>2,345,014</u>
RETAINED EARNINGS, January 1	<u>10,518,792</u>	<u>8,173,778</u>
RETAINED EARNINGS, December 31	<u>\$13,133,450</u>	<u>\$10,518,792</u>
NET EARNINGS PER SHARE		
Net earnings before extraordinary item	\$0.57	\$0.54
Net earnings	\$0.60	\$0.54
(based on the weighted average number of shares outstanding)		

Numac Oil & Gas Ltd. and Subsidiaries

Consolidated Statement of Changes in Financial Position

	Year Ended December 31	
	1976	1975
SOURCE OF FUNDS		
Operations		
Net earnings	\$ 2,614,658	\$2,345,014
Charges not requiring funds		
Depletion, depreciation and amortization	984,443	932,376
Deferred income taxes	1,539,038	1,734,259
Gain on sale of land	(154,147)	—
Other	(41,688)	(13,489)
Funds from operations	4,942,304	4,998,160
Proceeds from sale of land	1,644,984	—
Proceeds from sale of other fixed assets	113,305	142,884
Sale of treasury stock under Key Employee Stock Purchase Plan	909,563	98,625
Decrease in other investments	1,539	10,768
Proceeds of long-term debt	—	757,792
	<u>7,611,695</u>	<u>6,008,229</u>
USE OF FUNDS		
Oil, gas and mining properties	8,198,139	6,679,317
Real estate, buildings and equipment	1,078,753	754,172
Reduction of long-term debt	616,406	368,620
Additional Key Employee Stock Purchase Plan loans	902,597	98,625
Increase in long-term receivables	1,340,000	—
Repayment of minority shareholders' loans	—	400,000
	<u>12,135,895</u>	<u>8,300,734</u>
DECREASE IN WORKING CAPITAL	4,524,200	2,292,505
WORKING CAPITAL, January 1	<u>3,112,303</u>	<u>5,404,808</u>
WORKING CAPITAL (DEFICIENCY), December 31	<u><u>(\$1,411,897)</u></u>	<u><u>\$3,112,303</u></u>

Numac Oil & Gas Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 1976

NOTE 1 — ACCOUNTING POLICIES

(a) Principles of Consolidation

The consolidated financial statements include the accounts of all companies in which the Company has ownership of more than 50% of the voting capital stock.

(b) Petroleum and Natural Gas Properties

The Company follows the full cost method of accounting for its petroleum and natural gas operations, whereby all costs relative to exploration and development are capitalized. Such costs include land acquisition costs, geological and geophysical costs, carrying charges of non producing properties, cost of drilling both productive and non-productive wells and technical and administrative overhead directly related to exploration and development. These costs are reduced by proceeds from the sale of properties and also by government drilling and seismic grants and the net costs are accumulated in cost centres as follows:

- (i) North America (excluding Frontier Areas and Athabasca Oil Sands)
- (ii) Canadian Frontier
- (iii) Athabasca Oil Sands
- (iv) Outside North America

Costs accumulated in the North America cost centres are depleted using the unit-of-production method based upon estimated recoverable reserves.

The Canadian Frontier cost centre consists solely of the Company's net carried interest in the Mackenzie Delta which is recorded in the accounts at a nominal \$1.00. Accordingly, all revenue received from these properties is recorded as income.

All costs relating to the Athabasca Oil Sands have been capitalized in a separate cost centre and the related reserves have been excluded from conventional North American oil reserves.

Outside North America costs have been capitalized pending the outcome of exploration and related activities in each area of interest. It is expected that such costs will be depleted on the unit-of-production method if sufficient reserves are developed. Until sufficient reserves are developed, the costs are amortized at an annual rate of 10%.

(c) Mining

Acquisition and exploration costs of mining properties are treated on a project basis wherein costs are not charged to expense unless a project is abandoned. Revenue from mining properties is not taken into income unless the proceeds exceed the total project cost.

(d) Canadian Arctic Gas Study Group

Costs incurred in connection with the Company's participation in the Canadian Arctic Gas Study Group have been capitalized. The eventual method of disposition of these costs will be established upon determination of the outcome of the study and also the outcome of the National Energy Board's hearings presently in progress.

(e) Depreciation

Depreciation of earth moving equipment, automotive equipment, trailers, camps, shop machinery, furniture and fixtures is calculated on a straight-line basis at rates varying from 10% to 20%; production equipment is by straight-line basis at 7%; and real estate buildings on the sinking fund method at 5% over a term of 40 years.

(f) Income Taxes

The Companies follow the tax allocation method of accounting for income taxes. Under this method, deferred income taxes are provided for to the extent that income taxes otherwise payable are deferred by claiming capital cost allowances and expensing exploration and development costs in excess of the depreciation and depletion provisions.

NOTE 2 — INVESTMENTS AND LONG-TERM RECEIVABLES

	1976	1975
Receivable under the Stock Purchase Plan (see Note 6)	\$2,245,372	\$1,342,775
Receivable from sale of land	1,340,000	—
Other	67,624	69,163
	<u>\$3,652,996</u>	<u>\$1,411,938</u>

During the year, the Company sold commercial land holdings for a consideration of \$1,700,000 the proceeds of

which are receivable in annual installments until 1981 with interest at 10%. The total gain on the sale after providing for deferred income taxes amounts to \$873,354 which is being taken into income on the installment basis as follows:

1976 - \$154,147	1979 - \$ 37,293
1977 - \$ 30,829	1980 - \$143,754
1978 - \$ 33,886	1981 - \$473,445

NOTE 3 — LONG-TERM DEBT

The consolidated long-term debt relates to and is secured by specific real estate properties and consists of the following:

	1976	1975
Numac Oil & Gas Ltd - parent		
8% mortgage due January 15, 1979	\$ 225,000	\$ 300,000
8% mortgage due December 1, 1978	58,240	87,360
Nu-Alta Developments Ltd. - subsidiary		
1 1/4% above the 180 day Inter-Bank Euro-Dollar Offer rate in U.S. Funds fully hedged, due December, 1982 and repayable without penalty	9,053,256	9,370,042
	9,336,496	9,757,402
Less Current Portion	454,120	258,620
	<u>\$8,882,376</u>	<u>\$9,498,782</u>

The aggregate amount of maturities of long-term debt in each of the five years subsequent to December 31, 1976 are as follows:

	U.S. FUNDS	CDN. FUNDS
1977	\$350,000	\$104,120
1978	250,000	104,120
1979	400,000	75,000
1980	450,000	
1981	500,000	

NOTE 4 — INCOME TAXES

The Company policy for accounting for income taxes is set out in Note 1. At December 31, 1976 a subsidiary of the Company had an accumulated loss carry-forward totalling \$1,805,202, resulting from claiming capital cost allowance, interest and operating expenses for tax purposes in excess of book expenses. The loss carry-forward expires as follows:

1977	\$291,542
1978	\$782,976
1979	\$531,315
1980	\$ 32,355
1981	\$167,014

NOTE 5 — ANTI-INFLATION LEGISLATION

The Company and its subsidiaries are subject to certain provisions of the Anti-Inflation Act which was enacted October 14, 1975 and provides for restraint of increases in profit margins, prices, dividends and compensation.

Oil and gas operations are exempt from the profit and price provisions of the Act as these are regulated by other government legislation. The Company believes it is in compliance with those provisions of the Act that are applicable to its operations.

NOTE 6 — SHARE CAPITAL

Under the Stock Purchase Plan, the Company has agreed to advance funds to a Trustee to be used by the Trustee for the purchase and immediate resale to key employees of shares of the Company's capital stock at the average sale price of the Company's shares on the day immediately preceeding the transaction. During 1976, 88,500 shares were sold to the Trustee and resold to employees under the Plan for \$909,563 (1975, 10,000 shares for \$98,625).

At December 31, 1976, \$2,245,371 was receivable by the Company (\$1,342,775 at December 31, 1975) under the Plan and is included in "investments and long-term receivables".

NOTE 7 — REMUNERATION OF SENIOR OFFICERS AND DIRECTORS

The remuneration paid to the senior officers of the Company in 1976 amounted to \$232,119 (1975 - \$231,699) and directors' fees amounted to \$3,000 (1975 - \$4,500).

Auditors' Report

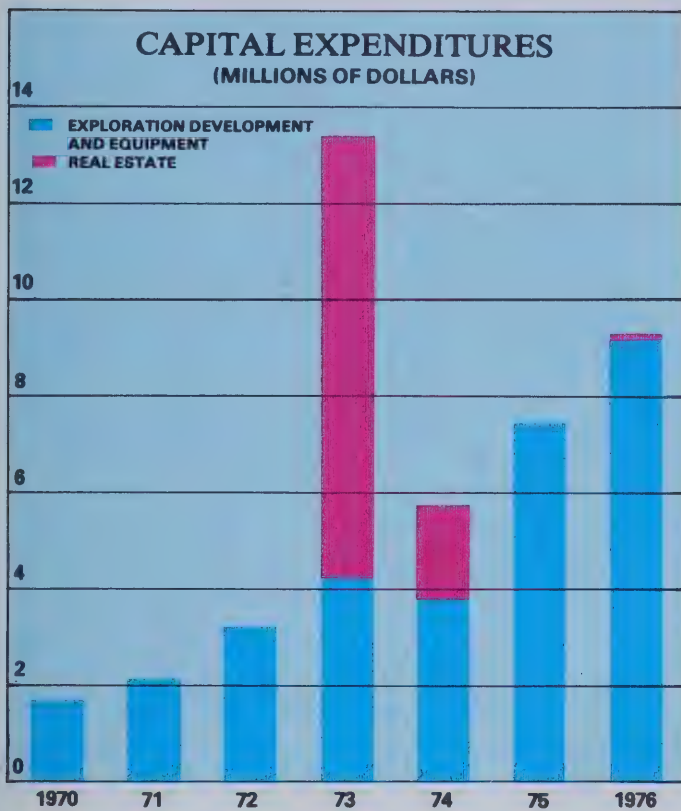
To the Shareholders of
Numac Oil & Gas Ltd.

We have examined the consolidated balance sheet of Numac Oil & Gas Ltd. and subsidiary companies as at December 31, 1976 and the consolidated statements of earnings and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

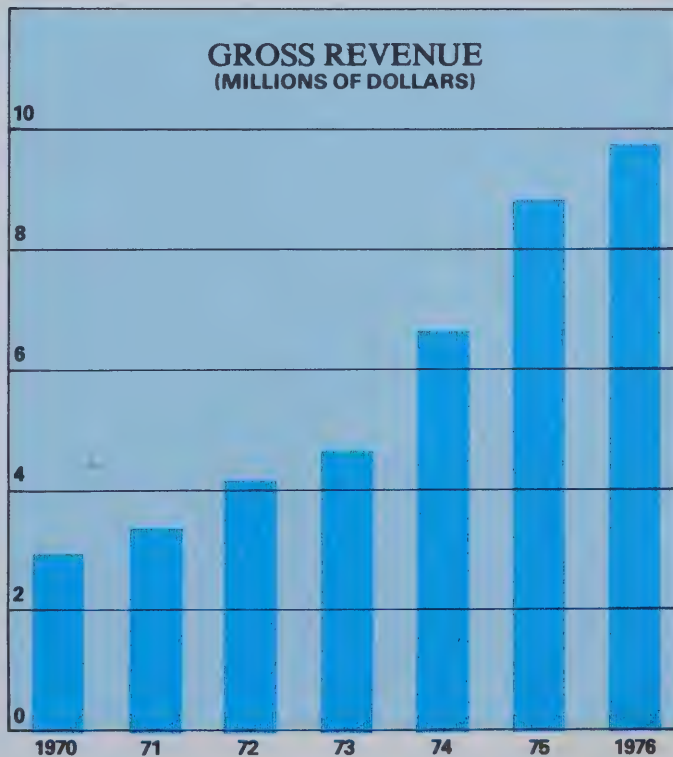
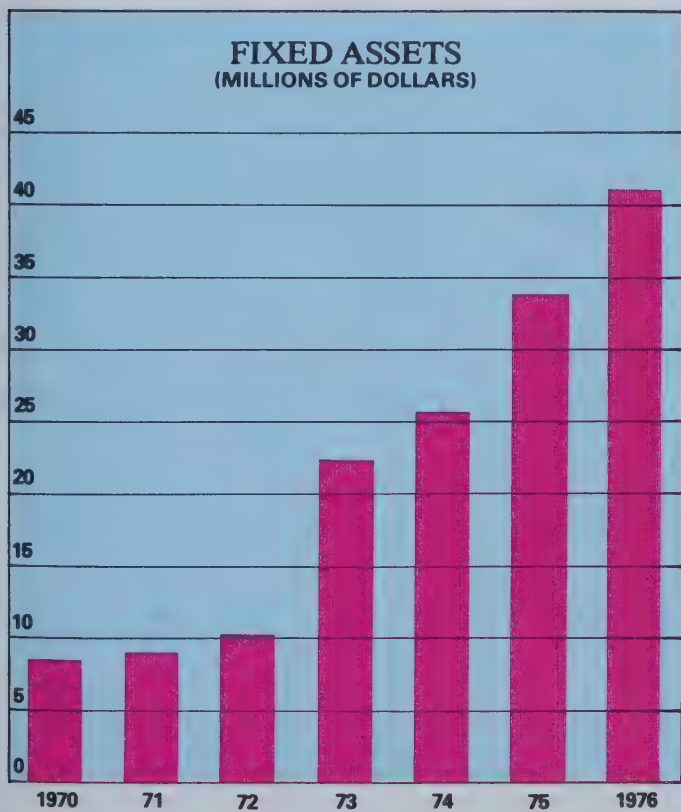
In our opinion, these consolidated financial statements present fairly the financial position of the companies as at December 31, 1976 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

EDMONTON, Canada
March 1, 1977

WINSPEAR HIGGINS STEVENSON & CO.
Chartered Accountants



BLOWING DOWN GASWELL



Numac Oil & Gas Ltd. and Subsidiaries

TEN YEAR REVIEW

FINANCIAL (\$Thousands, except
per share amounts)

	1976	1975	1974	1973	1972
REVENUES					
Oil and gas division	\$ 3,374	\$ 2,851	\$ 2,081	\$ 1,588	\$ 1,127
Oilfield construction	3,165	2,731	2,568	2,516	2,554
Real estate	2,791	2,723	1,551	—	—
Investment income	454	394	481	498	431
TOTAL	9,784	8,699	6,681	4,602	4,112
EXPENSES					
Operating	2,958	2,506	1,747	910	773
General and administrative	450	420	322	282	254
Interest on long-term debt	1,122	994	701	—	—
Other interest	654	116	75	29	15
Depletion, depreciation and amortization	984	933	994	1,040	811
Income taxes - current	(404)	(381)	(253)	—	—
- deferred	1,539	1,734	1,177	944	919
Minority interest	20	32	26	—	—
TOTAL	7,323	6,354	4,789	3,205	2,772
EARNINGS BEFORE EXTRAORDINARY ITEMS	2,461	2,345	1,892	1,397	1,340
EXTRAORDINARY ITEMS — Net of Tax	154	—	—	—	47
NET EARNINGS	\$ 2,615	\$ 2,345	\$ 1,892	\$ 1,397	\$ 1,387
PER SHARE					
Before extraordinary	\$ 0.57	\$ 0.54	\$ 0.44	\$ 0.33	\$ 0.32
Net earnings	\$ 0.60	\$ 0.54	\$ 0.44	\$ 0.33	\$ 0.33
CASH FLOW FROM OPERATIONS	\$ 4,942	\$ 4,998	\$ 4,060	\$ 3,362	\$ 3,009
PER SHARE	\$ 1.14	\$ 1.15	\$ 0.94	\$ 0.79	\$ 0.72
CAPITAL EXPENDITURES	\$ 9,277	\$ 7,433	\$ 5,681	\$13,483	\$ 3,079
FIXED ASSETS, Net	\$41,179	\$33,446	\$27,028	\$22,459	\$10,036
OPERATING					
Production					
Oil — thousands of barrels	540	548	537	569	456
Gas — millions of cubic feet	232	35	39	49	50
Land — Thousands of Acres					
Gross	2,006	1,731	1,405	1,640	1,579
Net	632	584	487	588	564
WELLS DRILLED					
Completed	25	27	15	14	10
Abandoned	26	18	7	6	6
	51	45	22	20	16

1971	1970	1969	1968	1967
\$1,128	\$1,245	\$1,176	\$ 880	\$ 608
1,907	1,384	957	412	—
—	—	—	—	—
439	351	289	94	45
3,474	2,980	2,422	1,386	653

964	827	932	386	93
241	184	158	112	83
—	—	—	—	—
34	46	48	33	7
712	685	495	301	193
—	—	—	—	—
604	656	217	160	52
21	54	62	50	37
2,576	2,452	1,914	1,042	465

898	528	508	344	188
694	—	79	—	—
\$1,592	\$ 528	\$ 587	\$ 344	\$ 188

\$ 0.21	\$ 0.13	\$ 0.12	\$ 0.10	\$ 0.06
\$ 0.38	\$ 0.13	\$ 0.14	\$ 0.10	\$ 0.06

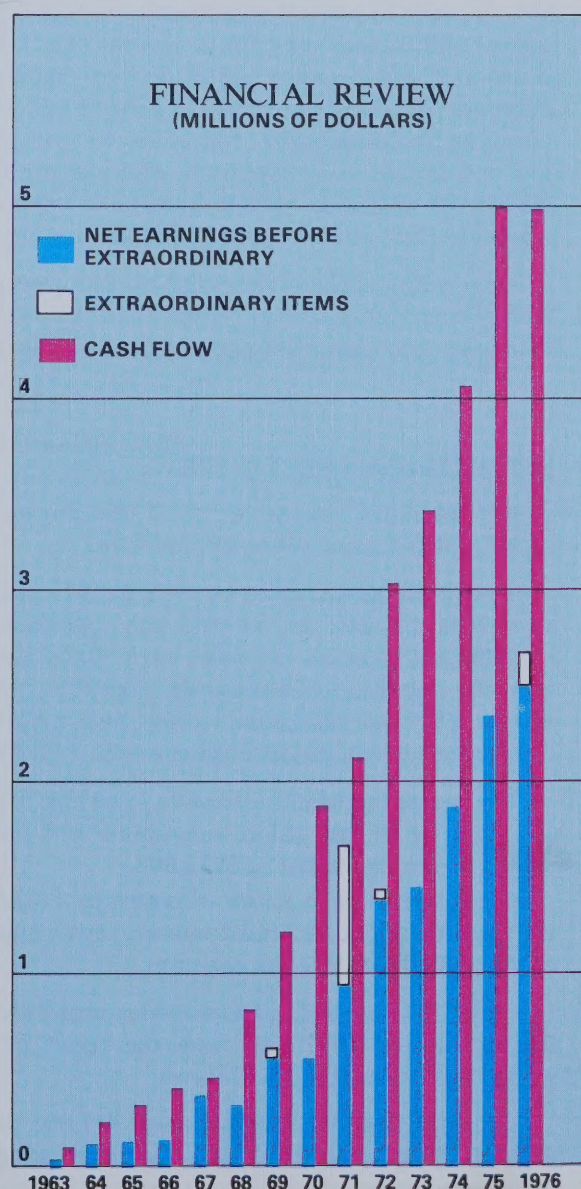
\$2,214	\$1,869	\$1,220	\$ 806	\$ 433
\$ 0.53	\$ 0.45	\$ 0.29	\$ 0.23	\$ 0.14

\$2,161	\$1,620	\$1,367	\$2,315	\$1,622
\$8,200	\$7,961	\$7,164	\$6,404	\$4,767

454	558	532	392	250
30	10	—	—	—

1,188	1,173	1,428	2,514	1,597
335	409	477	1,160	1,122

8	3	8	13	10
10	1	6	2	3
18	4	14	15	13



Numac Oil & Gas Ltd. and Subsidiaries

MANAGEMENT DISCUSSION

1976 COMPARED TO 1975

Net earnings before the extraordinary gain on sale of land increased by 5% to \$2,460,511 and from 54¢ to 57¢ per share in 1976. The gain on the land sale amounted to \$873,354, only \$154,147 was taken into income in 1976 as explained in Note 2 to the financial statements. The land sale gain brings the net earnings for 1976 to 60¢ per share.

Total revenue for the year increased by 12% due primarily to an 18% increase in oil and gas revenues and a 16% increase in oilfield construction revenue. Real estate income only increased by 2% during the year. The increase in oil and gas revenues resulted from higher wellhead prices and increased gas sales. Oil production decreased by 1%, due to progressive reduction in government administered crude export volumes, while gas production was 232 MMCF versus 35 MMCF in 1975. The increase in gas production was obtained in the final quarter of 1976.

Operating expenses increased by \$451,208 or 18% in 1976. The majority of this increase is the result of increased labour, repair and fuel costs of the oilfield construction

division and increased workover costs in the oil and gas division along with costs related to new gas wells coming into production.

Long-term interest expense increased by \$128,304 as a result of increased interest rates and hedging costs on the real estate financing.

Other interest expense increased by \$537,930 during the year due to increased bank borrowings required to finance increased gas and oil exploration and development activities.

Working capital decreased by \$4,524,200 during the year which resulted in a deficit of \$1,411,897 at December 31, 1976, due to the greatly increased exploration and development program. None of the Company's fixed assets or petroleum reserves have been pledged or encumbered for borrowing, other than mortgages on the real estate properties.

1975 COMPARED TO 1974

Net earnings increased by 24% during 1975 to \$2,345,014 and from 44¢ to 54¢ per share.

Total revenue increased by 30% in 1975 primarily due to a 26% increase in oil and gas revenues, the first \$200,000 payment on the Mackenzie Delta farmout and from the operation of the subsidiaries office tower complex for a full year compared to only seven months in 1974. The increase in real estate revenue was \$1,172,000.

The major increase in expenses in 1975 is attributed to the full year of real estate operations and the expenses related thereto increased by \$932,000.

Other operating expenses increased by \$168,000 during 1975 mainly due to increased labour, repair and fuel costs of the oilfield construction division.

Other general and administrative expenses increased \$83,000 during 1975 and were the result of increased wages, professional fees and travel.

Other interest expense increased \$41,000 during 1975 and was the result of increased bank borrowings required to finance increased oil and gas exploration and development activities.

Head Office

9915 - 108 Street, Petroleum Plaza — South Tower,
Edmonton, Alberta, T5K 2G8

Registrars and Transfer Agents

The Royal Trust Company, Edmonton, Montreal, Toronto
The Canadian Bank of Commerce Trust Company, New York

Auditors

Winspear Higgins Stevenson & Co., Edmonton, Alberta

Solicitors

Jackson, Arlette and MacIver, Edmonton, Alberta

Listing

Toronto Stock Exchange
American Stock Exchange

Numac Oil & Gas Ltd. was incorporated under the laws of the Province of Alberta on March 16, 1963.
The annual meeting of shareholders will be held at 9:00 a.m., June 21, 1977 in the
Edmonton Plaza, Edmonton, Alberta.

